

Department of Ecology

2007-09 Operating & Capital Budget Request

Strategic Priorities

The Department of Ecology plays an important part in moving Washington forward to successfully compete in a global economy. To compete successfully, Washington needs clean water, air, and soil; healthy people, communities, and workplaces; and adequate natural resources to sustain growing communities, economic output, transportation, and its workforce.

Since the Department of Ecology was created in 1970, Washington has achieved far-reaching improvements for air, land, and water. However, the state's natural environment is still under tremendous pressure – from rapidly growing communities, increasing demand on water supplies, and the toxic substances used in industrial processes and many consumer products. These pressures threaten the state's public health, economic stability, and quality of life.

To make measurable progress on protecting human health and the environment and improving the quality of life in Washington, Ecology's 2007-09 Budget focuses on four strategic priority areas: **Successfully managing water** to ensure availability for fish, farms, and people; **Reducing toxic threats**, with special concern for infants and children; **Environmental mitigation that works**; and **Protecting and restoring Puget Sound and Hood Canal**.

2007-09 Operating & Capital Budget

Ecology's 2007-09 Budget builds on the momentum of the 2006 Supplemental Budget by advancing efforts to protect and restore Puget Sound; address water availability in the Columbia River basin; accelerate toxics cleanup and prevention work; and cleanup the Hanford Reservation. At the same time, the 2007-09 Budget request maintains critically important ongoing statewide investments in water quality and quantity, toxics clean-up, hazardous and solid waste prevention and management, air quality, spill prevention, shorelands management, and environmental monitoring.

Ecology's total proposed Operating Budget is \$444.5 million; \$44 million is for investments in new or expanded activities. And of that, \$23.8 million is requested from dedicated accounts and \$20.25 million from the State General Fund. Requests for State General Fund money are made for high priority work – restoring Puget Sound, preparing for climate change, addressing the water needs of local communities, and ensuring environmental mitigation results - and where no dedicated fund source is available.

Ecology's total proposed Capital Budget is \$410.4 million: nearly half - \$190 million - continues long-term investments in local water quality projects; \$21 million continues and expands upon the Puget Sound initiative in the 2006 Supplemental Budget; \$34.5 million advances the Columbia River Basin Water Supply initiative; \$135.5 million accelerates toxics cleanup and prevention work; and \$29.44 million is for new investments in other local water projects and preservation of Ecology's facilities. The Capital Budget request includes \$354 million from dedicated accounts and \$56.4 million from the State Building Construction Account.

Department of Ecology

2007-09 Operating & Capital Budget Request

The majority of Ecology's funding is from dedicated revenues for specific environmental purposes. For the current 05-07 biennium, Ecology anticipates additional revenue to the State and Local Toxics Control Accounts, largely due to increased oil prices. However, in the long term, the Department of Revenue projects oil prices to flatten out and forecasts a drop of \$855,000 in total for both accounts in 2007-09. Given the historic volatility of the funds and the flattening of projections for 2007-09, Ecology's budget focuses on accelerating project work that can be scaled up or down to respond to available revenue.

In addition, Ecology is proposing several fee increases to keep up with increasing administrative and program costs: Water Quality Permit Account – amend the fee limit to recover the cost of state water quality and waste discharge permit programs. Sewage Treatment Plant Operator License fees – increase fees, set 20 years ago, to keep the program balanced with the number of licensed operators. Air Pollution Control Account (transfer from Motor Vehicle Account) – extend the sunset of funding from 2008 to 2010 to complete retrofitting the state's eligible school bus fleet as originally intended in the 2003 legislation. Hydropower License fees – modify fee structure set in 1929 – more than 70 years ago - to support Ecology and Fish and Wildlife involvement in hydropower re-licensing process, implement water permit certification and maintain stream gauging necessary for assessing, setting and achieving instream flows.

Ecology's budget expects changes will be needed to reflect final recommendations of the Puget Sound Partnership and the Oil Spill Advisory Council later in the year. Wherever possible, the agency has aligned the budget within the four strategic priority areas to anticipate the priorities of the Partnership and Advisory Council as they were known at the time the budget was submitted.

Three of Ecology's four strategic priorities – Successfully Managing Water / Reducing Toxic Threats / Mitigation that Works - are statewide initiatives that overlap to various degrees the work of Restoring Puget Sound and Hood Canal. Specifically there are enhanced budget proposals within both the Water and Toxics priorities that build directly on Puget Sound work started in the 2006 Supplemental Budget or make new investments with a focus on Puget Sound. For example, the "Urban Waters Cleanup and Protection" initiative focuses on Puget Sound and the Spokane River and reflects an overall commitment by Ecology to coordinate with local governments and across department programs – water quality, hazardous waste, toxic clean-up and prevention - to clean up the environment and keep it clean.

Department of Ecology

2007-09 Operating & Capital Budget Request

Successfully Managing Water to ensure availability for fish, farms, and people

The competition for water is intensifying as demand increases for out-of-stream use by people, business, and farmers and for instream uses for fish, wildlife habitat, and recreation. Many of these same demands increase the pressure on the state's water quality. Changes in the state's climate are adding to this competition. In response, Ecology's budget continues to build on successful wastewater treatment investments and water quality compliance work; supports high priority local watershed plan implementation; takes the next steps toward implementation of the Columbia River Basin water supply initiative; accelerates instream flow setting and achievement; advances reclaimed water use; and fully implements construction stormwater permitting.

Managing Water							
/ Operating	GFS	Other	Total	/ Capital	SBCA	Other	Total
Implem. Local Watershed Plan	4,000	-	4,000	Watershed Plan Implementation	16,000	-	16,000
Reclaimed Water Rule-Making	245	-	245	Columbia River Basin Water Supply	-	34,500	34,500
Setting - Achieve Instream Flows	900	-	900	Centennial Clean Water Program	19,500	30,500	50,000
Construction Stormwater Permits	-	751	751	Water Pollution Control Revol Acct.	-	140,000	140,000
Implementing Water Cleanup Plans	811	811	1,622	Water Irrigation Efficiencies	3,000	-	3,000
Protect Spokane Water Rights	795	-	795	Sunnyside Valley Irr Dist Conserve	2,544	-	2,544
Wastewater Permit Fee Enhance	-	795	795	Yakima River Basin Water Storage	3,250	-	3,250
Well Construction & License Sys.	-	650	650	Total Capital	44,294	205,000	249,294
Hydropower Licensing /Gauging	-	1,258	1,258				
Water Right Database Enhance.	-	300	300	Total Water Opera. & Capital			260,935
Coordinating Spokane Water Effort	325	-	325				
Total Water Oper	7,706	4,565	11,641				

Reducing Toxic Threats, with special concern for infants and children

Businesses have significantly reduced the amount of toxic chemicals they generate and dispose of in Washington, but toxic substances are still rapidly accumulating in homes, offices, and the natural environment. The more we learn about toxic chemicals, the more we realize they are everywhere - in our air, our water, and our soil - in the products we buy and use at home and at work. There are about 70,000 chemicals in use in the U.S. today, and while many of them have added to our quality of life, the effects on our health from thousands of these chemicals are simply not known. Infants and children are a special concern – they tend to have greater exposures because pound for pound, children breathe more air, drink more water, and eat more food than adults. Also just being kids – putting their hands and toys in their mouths, playing on the ground – exposes children to toxics in a way adults aren't. Ecology's budget ramps up efforts to reduce toxins that threaten human and environmental health and builds on the 2006 Supplemental Budget initiatives. Specifically, the budget continues to tackle toxic cleanup through traditional remedial action grants and safe soils remediation in schools and day care facilities; steps up efforts to cleanup and protect urban waters in Puget Sound and Spokane by bridging the gap between source control and cleanup work with enhanced monitoring to measure effectiveness; provides toxic prevention technical assistance through local governments to citizens and small businesses—with an emphasis in Puget Sound; identifies and educates businesses and the public on safer alternatives to toxic chemicals; lays the technical groundwork to reduce toxic discharges to state waters; enhances public

Department of Ecology

2007-09 Operating & Capital Budget Request

participation and education efforts; reduces health risks from the most toxic air pollutant: diesel and woodstove emissions; and supports state efforts to clean up Hanford.

Reducing Toxic Threats							
/ Operating	GFS	Other	Total	/ Capital	SBCA	Other	Total
Urban Waters Cleanup / Protection*	-	2,570	2,570	Remedial Action Grant Program	-	84,475	84,475
Local Source Control Specialist	-	2,026	2,026	Coordinated Prevention Grants	-	25,500	25,500
Reduce Toxic Discharges Water	-	1,140	1,140	Reduce Health Risk / Toxic Diesel	-	9,265	9,265
Safer Chemical Alternatives	-	400	400	Reduce Health Risk Wood Stoves	-	2,215	2,215
Public Participation Grants	-	1,779	1,779	Safe Soils Remediation Program	-	2,000	2,000
Hanford Tank & NRDA Lawsuit	-	656	656	Skykomish Cleanup	-	7,000	7,000
Ecol/DNR Oil Spill Coordination	-	109	109	Cleanup Waste Tire Piles	-	5,000	5,000
Litter Prevention	-	3,107	3,107	Total Capital	-	135,455	135,455
Organic Wastes to Resources	-	1,566	1,566				
Biosolids	-	422	422	Total Toxics Oper & Capital		149,490	149,490
Ag Pesticide Container Recycle	-	260	260				
Total Operating		14,035	14,035				

* Also in Puget Sound Summary

Environmental Mitigation that Works

When a new development project is proposed in Washington, a significant effort is made to identify any adverse environmental effects that the proposed project will cause. Adverse impacts that can't be avoided must be "mitigated" by environmental restoration or protection projects. Unfortunately, a number of credible studies show that required environmental mitigation is only successful 50% of the time. Making matters worse, the process of developing mitigation is expensive, unpredictable, and time-consuming. Ecology's budget reflects a new approach that is more predictable for permit applicants, and for the agency. It is done in a way that also effectively restores and preserves high-value environmental resources within a watershed. Specifically, the budget completes mitigation work in Clark County begun in 2006 and increases follow-up mitigation compliance efforts, builds capacity for processing wetland mitigation bank proposals, and enhances technical assistance to improve environmental compliance and increase permit predictability.

Mitigation / Operating	GFS	Other	Total
Environmental Mitigation that Works	1,928	0	1,928
Mitigation - Clark County	110	0	110
Total Mitigation	2,038	-	2,038

Protecting and Restoring Puget Sound and Hood Canal

Although seemingly pristine, Puget Sound is not healthy. The Puget Sound ecosystem is threatened by many factors including pollution, development, invasive species, and climate change. Many important species such as orca, salmon, and marine birds are threatened or in decline. Yet Puget Sound remains critical to our economy and way of life. There is a window of opportunity to restore and sustain its health. Through the Puget Sound Initiative and by appointing the Puget Sound Partnership, Governor Gregoire has made it a top priority to bring new focus and energy to restoring the health of Puget Sound and Hood Canal. Ecology's budget continues and expands on the initiatives begun in the 2006 Supplemental

Department of Ecology

2007-09 Operating & Capital Budget Request

Budget, including accelerating toxics cleanups on state owned aquatic lands and orphaned and abandoned sites upland; expanding on-site septic replacement work across the sound; ramping up local innovative stormwater projects; enhancing monitoring to provide better data for decision making; stepping up efforts to clean up and protect urban waters in Puget Sound; and accelerating completion of shoreline master program updates by local governments. Many of these programs are designed to be sized to accommodate the final recommendations of the Puget Sound Partnership later this year.

Puget Sound							
/ Operating	GFS	Other	Total	/ Capital	SBCA	Other	Total
Shoreline Master Prog. Updates	4,679	-	4,679	Puget Sound Cleanup - Aquatic	-	5,905	5,905
Urban Waters Cleanup/ Protection*	-	2,570	2,570	Puget Sound Cleanup - Upland	-	4,705	4,705
Habitat/Water Quality Monitoring	850	850	1,700	On-Site Septic Replacement Prog.	-	3,000	3,000
Air Pollution Impact Study	-	300	300	Low Impact Development Grants	7,750	-	7,750
Puget Sound Modeling	445	445	890	Total Capital	7,750	13,610	21,360
Total Operating	5,974	4,165	10,139				
* Also in Toxic Threats Summary				Total Puget Sound Op & Capital			31,499

Climate Change

In Washington, climate changes are expected to affect snow pack, water availability, sea level, and air quality. The effects of these and other changes associated with a changing climate will have significant impacts on the state's economy, infrastructure, environment, and public health. Ecology's budget request positions the state to better understand the impacts of climate change in Washington in order to prepare the state and its citizens for changes that are expected to occur. The budget provides funding for the Climate Impacts Group (CIG) at the University of Washington to tailor information on changes to water availability and quality and changes to sea levels to Washington state; the position of State Climatologist at the University of Washington; and staff within Ecology to coordinate policy and programs within Ecology and with other state agencies.

Climate Change			
/ Operating	GFS	Other	Total
Preparing WA for Climate Change	3,386	0	3,386

Air Quality

Ecology's ability to protect public health and meet necessary air quality requirements is limited by budget cutbacks. In recent years, federal funding has been eliminated or severely cut back for the Fine Particle Pollution Program and the Regional Haze Program. Both programs are based in federal law, and require the state to meet specific air pollution targets to remain in compliance with federal mandates. Failure to comply could result in additional air grant reductions to Washington. Ecology's budget restores funding for the Fine Particle and Regional Haze Programs to assure continued protection of public health and compliance with federal regulations.

Air Quality			
/ Operating	GFS	Other	Total
Meeting Federal Air Requirements	1,361	0	1,361

Department of Ecology

2007-09 Operating & Capital Budget Request

Ecology Facilities

Ecology's 2007-09 Capital Budget request includes funding to preserve and maintain the value of the buildings that house agency staff in Lacey and Spokane; add laboratory space to the Spokane office to accommodate safe ventilation and preparation and storage of samples; and proposes to purchase or build a more efficient and sustainable (LEED gold standard) facility to house the agency's Northwest Regional Office (NWRO) staff. The current lease for NWRO will expire in 2011. The JLARC "lease vs. purchase" modeling shows the state could save \$8 million over 25 years by purchasing rather than leasing. Ecology proposes to use lease revenues to finance the project with Certificate of Participation (COP) financing. COP financing has been successfully used by Ecology in 1993 to build the LEED Silver headquarters building in Lacey, and in 1994 to purchase the Eastern Regional Office in Spokane.

Ecology's Capital Facilities

/ Capital	SBCA	Other	Total
Certificate of Participation for New NW Regional Facility (COP)	-	-	-
Preservation of Ecology Headquarters - Rebuild East Wall	1,700	-	1,700
Lab & Storage addition to Spokane Office Facility	1,885	-	1,885
Repair Exterior Surfaces & Expand Emergency Power Supply / Lacey	475	-	475
Spokane Building Roof Replacement	270	-	270
Total Ecology Facilities	4,330	-	4,330